



*LaPorte County Auditor  
Joie Winski  
555 Michigan Avenue, Suite 205  
LaPorte, IN 46350-3490*

**MINUTES  
REGULAR MEETING OF THE LAPORTE COUNTY COUNCIL  
MARCH 23, 2020 AT 6:30 P.M.**

*(Please Turn Off All Cell Phones)*

The Regular Meeting of the La Porte County Council was held on March 23, 2020 at 6:30 p.m. (local time) in the Assembly Room of the La Porte County Government Complex located at 809 State Street, La Porte, Indiana, 46350.

**CALL TO ORDER**

La Porte County Council President Randy Novak called the Meeting to order at 6:30 p.m.

**PLEDGE OF ALLEGIANCE**

President Novak asked everyone to stand for the Pledge of Allegiance. President Novak asked that everyone, except emergency personnel, to please turn off their cell phones at this time.

**ROLL CALL**

Auditor Joie Winski took the Roll Call. Council Members present were Garner, Mollenhauer, Novak, Quinn, Rosenbaum, Santana, and Yagelski. A quorum was noted.

**APPROVAL OF THE MARCH 23, 2020 AGENDA**

A motion to approve was made by Councilman Mollenhauer and seconded by Councilman Rosenbaum. Attorney Guy DiMartino said that there had been discussion about adding the adoption of the Resolution for the County Commissioners to the agenda, so Councilman Mollenhauer amended his motion with that addition and it was seconded by Councilman Rosenbaum. Motion carried 7-0.

**APPROVAL OF THE FEBRUARY 24, 2020 REGULAR MEETING MINUTES**

A motion to approve was made by Councilman Quinn and seconded by Councilman Rosenbaum. Motion carried 7-0.

**PUBLIC COMMENT**

Hearing or seeing no one, President Novak closed Public Comment.

**NEW BUSINESS**

1. Consider Approval of an Additional Appropriation in the Amount of \$8,000,000.00 from the Emergency Reserve Fund (1186) for the Michigan City Courthouse Renovation Project.

Attorney Shaw Friedman explained that he was there on behalf of the Commissioners, as they have already forwarded their resolution to the Council. He continued that the Council has been in support of the previously approved financing plan. He added that Jason Semler from Baker Tilly (the County's financial advisor) is in attendance to give further explanation and details.

Mr. Semler stated he is going to go over updated financing numbers so the Council understands what they will be approving. He explained that there has not been a lot of activity over the last few weeks in the municipal bond market, so he is giving the best estimate of what interest rates will be when the Council is ready to issue bonds in June. Appropriating the \$8,000,000.00 tonight and adding an additional \$400,000.00 either now or in the future, the application of \$8.4 million dollars will result in a bond issue of approximately \$14.5 million. Councilman Yagelski inquired as to the early payoff and Mr. Semler replied that it is typically able to be paid off between 8 and 10 years without additional interest costs. Councilman Yagelski said that in his opinion, 10 years would be a reasonable time for an early out. Mr. Semler said if excess money was accumulated by the County over the next 10 years, the remainder due on the bond could be paid off at that time. Financing amortized over a 14 ½ year period would result in 1.95% on the short end and 3.05% on the long end. These are fixed rates so the net interest cost across the whole financing would be approximately 2.6% to 2.8%. With that interest rate structure, the annual payment would be approximately \$1.3 million dollars once the project is complete. He said he hopes interest rates would be less at the time of bond issue, but with the current uncertainty, he wanted to give a conservative estimate. He added that the bonds would be sold in mid-June and then locked in. He then discussed repayment of the bonds. The County currently has the Certified Shares Local Income Tax in place which captures approximately \$2.8 million annually. With the bond payment of \$1.3 million, there would be two times coverage of what is captured in income taxes which would leave money for other uses.

Councilman Yagelski asked if there is any impact of early payoff of a bond. Mr. Semler replied it could help with a bond rating agency, which looks at the existing debt profile. He also said it would factor into the rating score which results in a better bond rating and a lower interest rate.

A motion to approve was made by Councilman Yagelski and seconded by Councilman Mollenhauer. Councilman Santana said he is reserving his comment for the next meeting. Councilman Yagelski asked Attorney DiMartino if it is one or two readings, and he replied one and the Ordinance requires two.

Motion carried 6-1, with Councilman Santana voting Nay.

## **2. Consider Adoption of Resolution 2020-3 for the Michigan City Courthouse Renovation Project**

Attorney Friedman said that Pattie Zelmer, Bond Counsel from Ice Miller, was in attendance to address the Council. Ms. Zelmer said the Resolution and Ordinance related to the financing. She said different statutes are in play because of the structure of the financing. It is structured as a lease financing, so IC 36-1-10 allows the County to issue the debt without having this count against the County's constitutional debt limit. She continued that instead of paying this bond issue with property taxes, the County has a stream of revenue from its local income taxes. The pot of money that the County has is referred to as certified shares. The Resolution deals with the 36-1-10 statute and if the issuer of debt is going to secure that debt in any way with the property tax levy, a taxpayer petition has to be circulated and signed by at least 50 taxpayers asking for the project and then be presented to the fiscal body. She said this project is not being paid with property taxes, but the structure of the financing does have a property tax backup. By putting the property tax backup on it, although not expected to be used, the bond market will act more favorably and provide a better interest rate on the financing.

A motion to read by title only was made by Councilman Yagelski and seconded by Councilman Mollenhauer. Motion carried 7-0. Councilman Yagelski read by title only.

A motion to approve Resolution 2020-3 was made by Councilman Yagelski and seconded by Councilman Quinn. Motion carried 6-1, with Councilman Santana voting Nay.

### **3. Consider Adoption of Ordinance 2020-3 for the Michigan City Courthouse Renovation Project**

President Novak said this requires two readings unless the Council chooses to suspend it and complete both readings at tonight's meeting.

A motion to suspend and have both readings was made by Councilman Yagelski and seconded by Councilman Mollenhauer. The vote was 6-1, with Councilman Santana voting Nay. Attorney DiMartino stated that because it was not unanimous, the motion did not carry and there would not be two readings at tonight's meeting.

Ms. Zelmer said that it would be necessary to have unanimous consent in order to adopt it in one meeting. Therefore, she said it would be discussed and be considered for approval on first reading. Councilman Yagelski asked if it would be read first and then discussed or the reverse. Ms. Zelmer said it could be done either way.

A motion to read by title only was made by Councilman Yagelski and seconded by Councilman Rosenbaum. Motion carried 7-0. Councilman Yagelski read by title only.

Ms. Zelmer said this document does two things. Because La Porte County is not issuing the bonds, the fiscal body of the County has to pledge this stream of revenue, which are the certified shares, to the lease rental for repayment of the bonds. This document is the valid and binding pledge of the certified shares which is a very important item to bond holders. The second purpose is that the County has funds on hand that it wishes to contribute to the cost of the project to keep the bond issue size as small as possible. There are funds on hand in the Emergency Reserve Fund and those funds would be pledged in a manner that would satisfy bond holders and be enforceable against the County. She continued to specifically detail various sections in the Ordinance.

Attorney DiMartino asked Ms. Zelmer about the timeline that was introduced to the Commissioners. He said that timeline included two readings to be had before the Council and inquired if that would still be possible in order to get the bond to the market. Ms. Zelmer replied if the Council meets again in April, there would still be enough time to get the pledge Ordinance adopted.

A motion to change April's regular Council meeting to April 20, 2020 was made by Councilman Yagelski and seconded by Councilman Santana. Motion carried 7-0.

A motion to move the Ordinance forward, pledging certain local income tax revenues to bonds of the La Porte County Building Corporation and authorizing the use of certain funds on hand, was made by Councilman Rosenbaum and seconded by Councilman Mollenhauer.

Councilman Yagelski said the Council has spoken to different Department Heads thinking everybody is sharing the cost of this project. He is hopeful that everyone commits in the best possible way, as this is going to another holding company instead of the Council holding the purse strings on this one. He believes

everyone in the County has a stake in this project. He respectfully asked that Department Heads follow through with their commitments. President Novak agreed.

Councilman Rosenbaum clarified that using a tool such as a building corporation is a financial move that allows the County to borrow funds and not hit the County debt as an overall limitation. He initially had some discomfort with who had control of the corporation, but since the County owns the corporation and this will benefit the County, he is in support of moving it forward. He added that this is a lease payment to guarantee that the bond is paid, and this is the best tool available to the County.

Motion carried 6-1, with Councilman Santana voting Nay (he explained in County Council/Attorney Comments).

#### **4. Consider Adoption of Resolution 2020-4 Requesting the Governor of Indiana Provide Immediate Relief to Local Government to Permit the County to Best Service Constituents during the Covid-19 Emergency**

Councilman Yagelski read by title only. Attorney Friedman explained that this Resolution helps reinforce the calls that are being made by various legislators from both parties for the Governor to pledge a distribution from the State's rainy day fund to cash-strapped government entities around the State who are dealing with the crisis. He added that Auditors around the State are understandably concerned because even though tax payment are delayed per the Governor's executive order, applying for advance payments on the distributions will cause a problem when the money is not there to make the distributions. One of the things this Resolution does is to assist with the burden of local governments having to procure supplies for essential personnel, such as masks, gloves, etc. The Resolution also urges that the DLGF loosen its rules and the State to expedite unemployment claims. In addition, the Resolution references the fact that La Porte County Judges have acted to mitigate the effects of the layoffs by suspending any eviction or debt collection hearings. He continued to explain additional details of the Resolution. Attorney Friedman stated that if the Council chooses to approve this Resolution, he will insure it is provided to the Governor's office.

A motion to approve Resolution 2020-4 was made by Councilman Yagelski and seconded by Councilman Mollenhauer. Councilman Yagelski asked that there be an addition to the Resolution to include relief on restrictions for Counties to make their obligations. Councilman Yagelski amended his motion to include the additional item and Councilman Mollenhauer agreed. Motion carried 7-0.

#### **5. Consider Approval of a Permission to Spend Request for \$6,500.00 from the Sheriff's Firearms Fund (1156) for Firearms and Related Equipment**

A motion to approve was made by Councilman Santana and seconded by Councilman Mollenhauer. Councilman Rosenbaum clarified that this is for weapons and ammunition for new officers. Motion carried 7-0.

#### **COUNTY COUNCIL/ATTORNEY COMMENTS**

Councilman Santana explained that on the 2020-3 Ordinance vote under New Business, his vote was Nay and so he asked that be reflected correctly on the record. He then asked the public to please be safe and heed the warnings. He said Covid-19 is serious and he has never previously seen anything like this, so please be cautious.

Councilman Yagelski said he would like to have a cornerstone for the new courthouse. He said he would also like the County to spend some money to photograph the courthouse prior to renovations to preserve it for historical value.

Councilman Rosenbaum thanked those people in the County who are working hard, showing up, manning the phones and offices, clearing, EMS, Police Officers and the entire group. He had the pleasure of being on a phone conversation and saw how the process is working during this current crisis. He said he cannot express how proud they can be of the people serving La Porte County.

Councilman Quinn echoed Councilman Rosenbaum's statements. He said he also participated in the task force call and was so proud of the people for being a part of it and sharing their expertise. He also expressed pride in the essential and non-essential personnel in the County who are doing what they can to help the citizens of the County and giving their best efforts. He said he is happy to be a part of this group and gives his support to those on the front lines and working their tails off to keep this disaster as reigned in as possible.

President Novak gave recognition to IT for putting together the meetings and all of their efforts, the Sheriff's Department, the Fire Departments, EMS, First Responders, EMA, Maintenance, the Jail staff, and the Department Heads and their staff for keeping the County running. He thanked everyone for everything they are doing.

#### ADJOURNMENT

A motion to adjourn the meeting was made by Councilman Mollenhauer and seconded by Councilman Rosenbaum. Motion carried 7-0.

**EXAMINED & APPROVED BY THE LA PORTE COUNTY COUNCIL this 20<sup>th</sup> of April, 2020.**



Councilman Terry Garner



Councilman Mike Mollenhauer



Councilman Randy Novak



Councilman Sean Quinn



Councilman Mike Rosenbaum



Councilman Jeff Santana



Councilman Mark Yagelski

ATTEST: Kristie Beckard  
Joie Winski, La Porte County Auditor  
Chief Deputy Auditor